

SCOTIA CANADIAN EQUITY FUND
UNAUDITED FINANCIAL STATEMENTS
PERIOD ENDED SEPTEMBER 30, 2022

SCOTIA CANADIAN EQUITY FUND
INDEX TO UNAUDITED FINANCIAL STATEMENTS
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CONTENTS

	PAGE
UNAUDITED STATEMENT OF FINANCIAL POSITION	1
UNAUDITED STATEMENT OF COMPREHENSIVE (LOSS) INCOME	2
UNAUDITED STATEMENT OF CHANGES IN NET ASSETS	3
UNAUDITED STATEMENT OF CASH FLOWS	4
UNAUDITED NOTES TO FINANCIAL STATEMENTS	5

SCOTIA CANADIAN EQUITY FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION

(expressed in United States dollars)

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
ASSETS		
Cash and cash equivalents	\$ 41,962	\$ 1,685,749
Financial assets at fair value through profit or loss:		
Equity securities: (Cost: \$29,250,266 (December 2021: \$23,880,243))	32,728,877	33,814,495
Derivatives	794,577	181,990
Dividends receivable	83,681	67,853
Receivable from Manager	22,779	15,099
Subscriptions receivable	16,159	11,976
	<hr/>	<hr/>
Total assets	33,688,035	35,777,162
	<hr/>	<hr/>
LIABILITIES		
Financial liabilities at fair value through profit or loss:		
Derivatives	1,128	52,108
Payable for investments purchased	136,658	-
Accrued expenses	60,558	57,255
Management fee payable	59,196	56,814
Tax withholding liability	21,443	17,323
Redemptions payable	957	-
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<hr/>	<hr/>
	279,940	183,500
	<hr/>	<hr/>
Management shares	768	768
	<hr/>	<hr/>
Net assets attributable to holders of redeemable participating shares	\$ <u>33,407,327</u>	\$ <u>35,592,894</u>
Net asset value per redeemable participating share		
Class A		
\$26,300,090/8,405,036 shares (December 2021: \$31,122,503/8,623,560 shares)	\$ <u>3.13</u>	\$ <u>3.61</u>
Class NU		
\$669,404/215,744 shares (December 2021: \$803,465/223,663 shares)	\$ <u>3.10</u>	\$ <u>3.59</u>
Class IU		
\$1,126/357 shares (December 2021: \$1,277/357 shares)	\$ <u>3.15</u>	\$ <u>3.58</u>
Class AC		
CDN7,823,156/1,596,071 shares (December 2021: CDN3,542,671/680,780 shares)	CDN <u>4.90</u>	CDN <u>5.20</u>
Class NC		
CDN1,029,247/233,693 shares (December 2021: CDN1,096,574/233,693 shares)	CDN <u>4.40</u>	CDN <u>4.69</u>

Approved for issuance on behalf of Scotia Canadian Equity Fund's
Board of Directors by:

Farried Sulliman
Farried Sulliman
Director

Sarah Hobbs
Sarah Hobbs
Director

Date: November 9, 2022

SCOTIA CANADIAN EQUITY FUND

UNAUDITED STATEMENT OF COMPREHENSIVE (LOSS) INCOME

(expressed in United States dollars)

	For the three month periods ended		For the nine month periods ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Income				
Dividend income	\$ 221,277	\$ 174,493	\$ 674,096	\$ 532,493
Other income	(296)	176	966	322
Interest income	264	-	264	-
Net realized gain on financial assets at fair value through profit or loss and foreign currencies	384,278	289,245	857,429	372,398
Net change in unrealized (depreciation) appreciation on financial assets at fair value through profit or loss and foreign currencies	<u>(1,799,969)</u>	<u>(314,609)</u>	<u>(5,799,127)</u>	<u>3,837,146</u>
Total net (loss) income	<u>(1,194,446)</u>	<u>149,305</u>	<u>(4,266,372)</u>	<u>4,742,359</u>
Expenses				
Management fees	185,138	161,817	551,855	446,323
Custodian and administration fees	30,588	25,010	77,807	74,071
Other expenses	9,005	21,576	60,505	64,305
Professional fees	<u>(1,783)</u>	<u>6,231</u>	<u>10,476</u>	<u>18,801</u>
Total operating expenses	222,948	214,634	700,643	603,500
Less: expenses reimbursed	<u>(5,886)</u>	<u>(16,231)</u>	<u>(22,779)</u>	<u>(56,291)</u>
Net operating expenses	<u>217,062</u>	<u>198,403</u>	<u>677,864</u>	<u>547,209</u>
Operating (loss) profit	(1,411,508)	(49,098)	(4,944,236)	4,195,150
Withholding taxes on dividend income	<u>(55,233)</u>	<u>(46,467)</u>	<u>(167,641)</u>	<u>(131,800)</u>
(Decrease) increase in net assets from operations attributable to holders of redeemable participating shares	<u>\$ (1,466,741)</u>	<u>\$ (95,565)</u>	<u>\$ (5,111,877)</u>	<u>\$ 4,063,350</u>

SCOTIA CANADIAN EQUITY FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

(expressed in United States dollars)

	For the nine month periods ended	
	<u>September 30, 2022</u>	<u>September 30, 2021</u>
Shareholders' Equity		
Share Capital	\$ 98,834	\$ 85,479
Share Premium	28,729,687	23,504,148
Retained Earnings	9,690,683	3,710,469
(Decrease) increase in net assets for the period	<u>(5,111,877)</u>	<u>4,063,350</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 33,407,327</u>	<u>\$ 31,363,446</u>

SCOTIA CANADIAN EQUITY FUND

UNAUDITED STATEMENT OF CASH FLOWS

(expressed in United States dollars)

	For the nine month periods ended	
	<u>September 30, 2022</u>	<u>September 30, 2021</u>
Cash flows from operating activities		
Dividend received	\$ 494,747	\$ 389,280
Other income received	966	322
Interest received	264	-
Operating expenses paid	(694,958)	(576,879)
Reimbursements received from Manager	15,099	3,857
Purchase of financial assets at fair value through profit or loss	(6,232,729)	(2,539,050)
Proceeds from sale of financial assets at fair value through profit or loss	1,856,793	1,819,522
Net change in unrealized loss on foreign currencies	656,514	270,358
Net change in unrealized appreciation on derivatives	(663,567)	(268,099)
	<u>(4,566,871)</u>	<u>(900,689)</u>
Net cash used in operating activities		
Cash flows from financing activities		
Proceeds from subscriptions of redeemable participating shares	6,681,585	3,042,667
Payments for redemptions of redeemable participating shares	(3,758,501)	(1,779,747)
	<u>2,923,084</u>	<u>1,262,920</u>
Net cash provided by financing activities		
Net change in cash and cash equivalents	(1,643,787)	362,231
Cash and cash equivalents at beginning of period	<u>1,685,749</u>	<u>352,143</u>
Cash and cash equivalents at end of period	<u>\$ 41,962</u>	<u>\$ 714,374</u>
Supplemental cash flow disclosures		
Tax withheld	<u>\$ 163,521</u>	<u>\$ 128,037</u>

SCOTIA CANADIAN EQUITY FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

PERIOD ENDED SEPTEMBER 30, 2022

1. General

Scotia Canadian Equity Fund (the "Company") was incorporated in the Cayman Islands on June 23, 1994 and registered under the Mutual Fund Law (revised) of the Cayman Islands. The Company is an open ended investment company which may issue and redeem its shares at a price based on the underlying net asset value. The registered office of the Fund is located at 18 Forum Lane, 2nd Floor, Camana Bay, Grand Cayman, P.O. Box 501, KY1-1106. The Company has no employees.

2. Significant accounting policies

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Security transactions are accounted for on a trade date basis. Realized gains and losses on the sales of portfolio securities are calculated on an average cost basis. Interest is recorded on an accrual basis and dividend income is recognized on the ex-dividend date.

3. Foreign currency share classes

For the classes of shares denominated in currencies other than the functional currency of the Company, the Net Asset Values are calculated by converting the USD Net Asset Value per Share to the CDN equivalent using the then current rate of exchange. For the period ended September 30, 2022, the current rate of exchange is:

<u>Share Class</u>	<u>Currency</u>	<u>Functional Currency</u>	<u>Exchange Rate</u>
	CDN	USD	1.375